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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (EU NO. 596/2014).

Ithaca Energy Inc.

Delek Takeover Offer - Tender Conditions Satisfied

21 April 2017

Ithaca Energy Inc. (TSX: IAE; LSE: IAE) ("Ithaca" or the "Company") is pleased to announce that the conditions of the cash takeover offer for all the common shares of the Company not owned by Delek Group Ltd. ("Delek") or any of its affiliates for C\$1.95 per share (the "Offer") have been satisfied and the Offer has been accepted by holders of approximately 70.3% of the issued and outstanding common shares, not including the common shares already owned by Delek or any of its affiliates prior to announcement of the Offer.

Payment for those shares tendered to the Offer by the initial deposit period deadline of 20 April 2017 will be made to Computershare Trust Company of Canada ("Computershare"), as the depositary for the Offer, by no later than 25 April 2017, following which the funds will be transferred to shareholders by Computershare. For those shareholders who tendered via brokers or financial intermediaries, payment for their tendered shares will be made via such institutions.

Following the take up and payment for the tendered shares, DKL Investments Limited (the "Offeror"), a wholly owned affiliate of Delek, will own and control 323,158,890 common shares, representing approximately 76% of the issued and outstanding shares of the Company.

Mandatory Extension Period

As required by securities laws, the Offer is being extended for a mandatory extension period until 17.00 (Toronto time) on 3 May 2017 (the "Expiry Time") to provide shareholders who have not yet tendered their common shares to the Offer an opportunity to do so. Accordingly, the Offeror has today mailed to Ithaca shareholders the notice of extension, a copy of which is available on the Company's website (www.ithacaenergy.com). Shareholders who have already validly deposited their common shares do not need to take any further action to accept the Offer.

The Offeror will take up and pay the depositary for common shares validly deposited to the Offer during the mandatory extension period within 10 calendar days after any such deposit.

Full details of the Offer are contained in the takeover bid circular issued by Delek and the Directors' Circular issued by Ithaca, both of which are available on the Company's website (www.ithacaenergy.com) and on SEDAR (www.sedar.com).

Relationship Agreement

Ithaca also announces that it expects to today enter into a relationship agreement with the Offeror, Delek and Ithaca's nominated adviser Cenkos Securities plc to assist in managing the relationship between the parties with respect to governance of the Company under the requirements of its AIM market listing (the "Relationship Agreement"). The Relationship Agreement will terminate the investment agreement dated 9 October 2015 between Ithaca and the Offeror and will, amongst other things, contain provisions pursuant to which:

- The Offeror will undertake, for so long as it is interested in voting rights representing 30% or more of the rights to vote at a general meeting of Ithaca shareholders, that Ithaca will be managed for the benefit of the Ithaca shareholders as a whole, independently of the Delek

group, and that at least two independent directors shall at all times be members of the Board of Directors.

- For so long as the Offeror is interested in 10% or more of the Common Shares, the Offeror shall at any time, and from time to time, be entitled to designate such number of members of the Board of Directors, and any committees thereof, as is proportionate to the percentage of the outstanding Common Shares beneficially owned at such time by the Offeror and its affiliates, in all cases subject to: (i) applicable laws, (ii) providing a release in favour of each resigning member of the Board of Directors who is being replaced by the Offeror's designee, (iii) confirmation that insurance coverage is maintained or provided as contemplated in the support agreement between Ithaca and Delek dated 6 February 2017, and (iv) to the extent that Ithaca continues to be listed on the TSX or AIM, to the policies and rules thereof.
- The Offeror will give certain undertakings in relation to maintaining appropriate corporate governance procedures and policies, including that Ithaca will be managed in accordance with such provisions of the Corporate Governance Code for Small and Mid-Size Quoted Companies published by the Quoted Companies Alliance, as the Board of Directors considers practicable and appropriate for the size, stage of development and operations of the Company at the relevant time and/or such other corporate governance regime that may be adopted by the Board of Directors from time to time.

Once executed, a copy of the Relationship Agreement will be filed with Canadian securities regulators and will be available on SEDAR at www.sedar.com.

- ENDS -

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Advisors

RBC is acting as financial advisor to the Company and has delivered a fairness opinion addressed to the Special Committee (as defined and described in the Director's Circular). GMP FirstEnergy is acting as the formal valuator under the terms of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*. Pinsent Masons LLP and Burstall Winger Zammit LLP are acting as legal counsel to Ithaca. The Company has also received strategic advice from Geopoint Advisory Limited.

About Ithaca Energy

Ithaca Energy Inc. (TSX: IAE; LSE: IAE) is a North Sea oil and gas operator focused on the delivery of lower risk growth through the appraisal and development of UK undeveloped discoveries and the exploitation of its existing UK producing asset portfolio. Ithaca's strategy is

centred on generating sustainable long term shareholder value by building a highly profitable 25kboe/d North Sea oil and gas company. For further information please consult the Company's website at www.ithacaenergy.com.

About Delek

The Delek Group, Israel's leading integrated energy company, is the pioneering leader of the natural gas exploration and production activities that are transforming the Eastern Mediterranean's Levant Basin into one of the energy industry's most promising emerging regions. Having discovered Tamar and Leviathan, two of the world's largest natural gas finds since 2000, Delek and its partners are now developing a balanced, world-class portfolio of exploration, development and production assets. Delek's head office is located at 19 Abba Eban Blvd., P.O.B. 2054, Herzeliya 4612001, Israel.

Forward-Looking Statements

This announcement may contain, in addition to historical information, certain forward-looking statements related to the Company, including anticipated future events and circumstances, including in particular, but not limited to, statements relating to the Offer, certain strategic and financial benefits expected to result from the completion of the proposed acquisition by the Offeror of more than 50% of the outstanding Common Shares not already owned by the Offeror or its affiliates and the intentions, and plans and future actions of the Company, the Offeror and Delek. Forward-looking information is provided to assist the reader with understanding the Company's expectations, plans and priorities for future periods or with respect to applicable events. Readers are cautioned that such information may not be appropriate for other purposes. This information is based on the estimates, beliefs and assumptions of the directors and management of the Company regarding the markets in which the Company operates. In some cases, forward-looking information may be identified by words such as "anticipate", "believe", "could", "expect", "plan", "seek", "may", "intend", "will", "forecast" and similar expressions.

Such forward looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements of Ithaca to differ materially from any future results, performance or achievements expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond Ithaca's ability to control or estimate precisely, such as future market conditions, changes in regulatory environment, the behaviour of other market participants and the risk of unexpected costs or liabilities relating to the Offer. Some of these risk factors are largely beyond the control of the Company. These are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of the Company's forward-looking statements. Other unknown and unpredictable factors could also impact its results. Ithaca cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement. Ithaca disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

For additional information on assumptions used to develop forward-looking information and risk factors that could cause actual results to differ materially from forward-looking information, please refer to the "Risks and Uncertainties" section of the Company's Management Discussion & Analysis for the period ended 31 December 2016 and the "Forward-Looking Statements" and "Risk Factors" sections of the Company's Annual Information Form for the year ended 31 December 2016, which are available under the Company's SEDAR profile at www.sedar.com.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. Such an offer may only be made pursuant to an offer and takeover bid circular filed with the securities regulatory authorities in Canada and pursuant to registration or qualification under the securities laws of any other applicable jurisdiction. The distribution of this press release in or into certain jurisdictions may be restricted by law and therefore persons into whose possession this press release comes should inform

themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

This material is not a substitute for the offer and takeover bid circular or the Directors' Circular which have been filed with the securities regulatory authorities in Canada regarding the transaction or for any other document which Ithaca, Delek or the Offeror may file with securities regulators and send to Ithaca shareholders in connection with the transaction. SECURITY HOLDERS OF ITHACA ARE URGED TO READ ALL SUCH DOCUMENTS CAREFULLY IN THEIR ENTIRETY BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION. The offer and takeover bid circular and the Directors' Circular, along with related documents, are available free of charge under the profile of Ithaca on the website maintained by the Canadian securities regulators at www.sedar.com.